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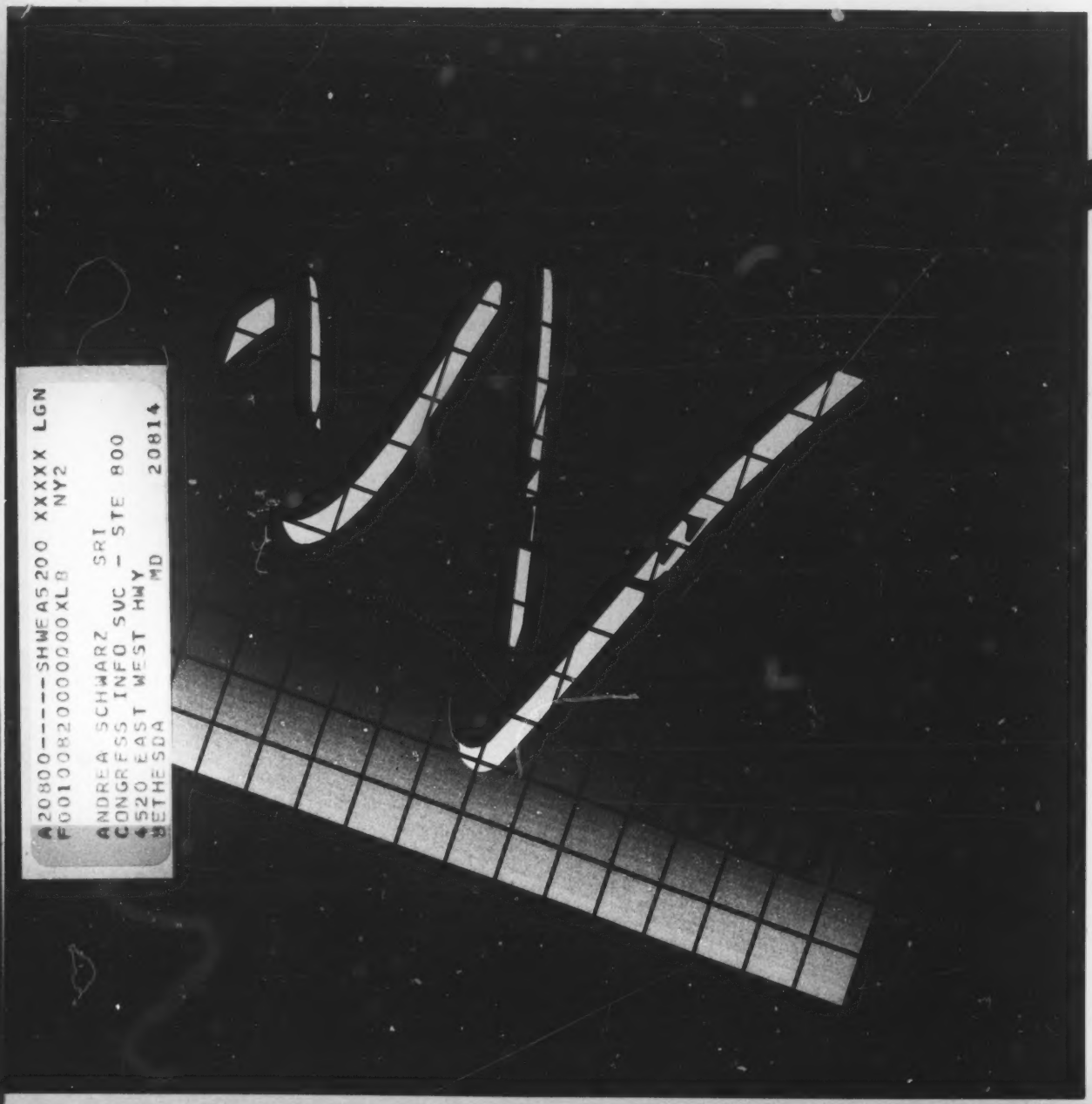
NOV/DEC 1988

Lawn&Garden Marketing™

An Intertec publication

Reports on: Top 100 gardening markets

OPE economic forecast • NLGDA convention



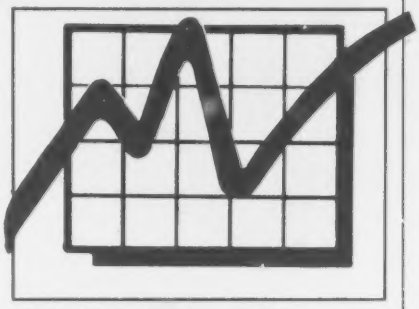
PUBLISHED 10 TIMES ANNUALLY
NOVEMBER/DECEMBER 1988
VOL. 27, NO. 10

Lawn&Garden Marketing™

The merchandising magazine for lawn, garden and leisure living products.

Plastics, 4

Worth a Look, 8



Market data, begins on 22

Features

Plastics in L&G
Manufacturers have been walking a tightrope between higher raw materials costs and customer resistance to increased prices of plastics. 4

Market Data 1988
This issue is a compilation of shipment figures, consumer demographics and economic forecasts. From interviews with leading manufacturers, industry reps and economic analysts, *LGM* presents evaluations of 1988's events and projects what may happen in '89.

Top 100 gardening markets. 22

Hot summer dries up early OPE successes. 28

BBQ grill shipments gaining. 29

Who's buying fertilizer. 30

Portable power meets expectations. 32

Patio shipments top $900 million. 33

Greengoods affected by drought. 34

"Look beyond L&G"
The NLGDA convention provided attendees with challenging and thought-provoking ideas. 42

Departments

Questionnaire
Garden hand tools. Retailers responding to a 1986 *LGM*/NLGDA survey said garden tools represented a strong sales category. What factors influence you and what factors influence your customers in selecting one brand over another? How do you compete with other retailers. 17

Power Equipment Report
Kawasaki to begin OPE engine production in U.S.; portable power association forms in Canada; Wards to adjust service contract claims. 20

Retail Marketplace
Duraco Products opens warehouse in Canada; SERVISTAR offers L&G buying program; Scotts wins creativity award for packaging. 39

Product Listings
Two Exclusive Listings this month include a portable sprayer from K&G Mfg. Inc. and a systemic fertilizer from Sunniland Corp.. 40

Calendar. 44

Cover design by Linda McLean. Computer generation by Media Design Group, Tampa, Fla. "From the Editor" photo courtesy of the National Lawn and Garden Distributors Assn.

Columns

From the Editor
By Susan L. Anderson. 2

Worth a Look
By Dr. Frank A. Viggiano Jr. 8

On the Market
By Jane Forman Cigard. 12

Speaking of Power
By Dale Graves. 14

Feedback
Compiled by Gina Kellogg Hogan. .16

Did you know?

Lawn & Garden Marketing has published annually the results of the National Gardening Assn./ Gallup survey in this issue. However, due to the industry's increased emphasis on autumn sales, the survey of U.S. household participation in L&G activities has been extended into October and November. Thus, the results—more comprehensive than ever before—will appear in the February 1989 issue.

Lawn & Garden Marketing (ISSN 0091-4665) is published 10 times annually free to qualified subscribers by Intertec Publishing—A Macmillan Co., 9221 Quivira Rd., Overland Park, KS 66215. 2nd-class postage paid at Shawnee Mission, KS and additional mailing offices. POSTMASTER: Send address changes to *Lawn & Garden Marketing*, P.O. Box 12960, Overland Park, KS 66212.
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Feedback

Compiled by Gina Kellogg Hogan, *associate editor*

Now that the winter months are nearing, the hot, painfully dry summer may seem only a distant memory. But according to analysts in the lawn and garden business, it is a summer that will not easily be forgotten; in fact, some say effects will be felt for several years.

Comments from retailers responding to *Lawn & Garden Marketing's* August drought survey remind us that we weren't the only ones suffering. Many comments point to topics that need to be considered for future problem years.

A recurring complaint by respondents was the lack of attention from the government on lawn and garden businesses. Since this industry is equally as dependent on weather as farmers, many retailers felt some aid should have been offered to them.

Claude Greenway, president of Pekin Small Engine Service Inc., Pekin, Ill., said, "The U.S. bails out farmers but totally forgets other businesses are affected too." C.E. Williams, Delphos Power Equipment, Delphos, Ohio, said, "In our area, the farmers received government subsidies for their loss. But we got nothing and had to borrow money to stay open."

But Don Hustad, A.P. Hustad Implement Co., Alexandria, Minn., believes that whether a business fails or remains open is up to the owner. Hustad received a letter from his senator asking his opinion on whether businesses should receive financial aid through the Small Business Administration. "If the government intervenes where a risk of loss is, it soon will intervene where profits occur," Hustad said. "I believe it is important for suppliers to provide floorplan terms liberalization."

More than a few respondents—mostly power equipment dealers—had grave concerns about whether their businesses could remain open as a result of drought losses. A Wilmilton, Ohio, power equipment respondent said, "I hope [the drought] doesn't repeat. I could not sustain the business through another season like this. Of course, we still have to survive winter. A rainy fall and winter could bankrupt us." Another said he would have to give second thoughts to staying in the lawn and garden equipment business.

Yet another, Raymond A. Dobosh, Dobosh Service Center Inc., Pittsburgh, Pa., said, "After a poor winter—very little snow—[the drought] might be the final nail in the coffin."

Marketing strategies saved other retailers from misfortune. Tony Hanners, Hanners Small Engines, Hartford, Ala., said, "[The drought] was a bad time, but with positive thoughts, advertising and buying, I have at this time [in mid August] already made up what loss I had. What really helped me was that I didn't give up my advertising or buying new stock. I sold 35 mowers [in just one week in August]! I have had to order more Echo trimmers."

Keeping close track of inventory saved a power equipment respondent in Vincennes, Ind. Sam Williams said, "Due to an extensive bookkeeping system, I saw a downward trend as early as April, so I tightened my belt and started cutting corners, and as a result, I didn't get hurt bad at all."

Many garden centers took advantage of the unfavorable weather to give suggestions to their customers because, as one garden center respondent said, "The public does not realize the drought toll on plants, trees and evergreens through drought stress." Another offered the suggestion that a "grass-roots" effort might be helpful in educating consumers. "We need to do more to educate the customers and the public on water conservation and plantings under various conditions, including drought-tolerant plants, proper irrigation, proper plant care and recognition factors causing plant stress."

Joan and Michael Mount, owners of Green Things Nursery, Grofino, Ind., said, "One of the hardest areas of sales is to convince the public of the necessity of nutrient levels...being maintained during drought conditions, enabling plants to resist the natural enemies of disease and insects." Convincing the consumer that such knowledge is essential, they said, "would be of great value in dealing with the retail public when faced with weather adversities."

Although some respondents noted a concern about the "Greenhouse Effect" as the probable cause for the drought, at least one respondent blamed the human race in general. "God is punishing us for our ways of life," said the Latrobe, Pa., garden center respondent.

Others were less critical. "I feel so hopeless," said one. "It's in God's hands. Only he can change it." A Clinton, Iowa, power equipment respondent said, "God has blessed us for so many years. I try to take this opportunity to encourage our customers to persevere and trust our creator. Know that better times will return."

When respondents were asked how specific aspects of their businesses had been affected by the drought, 78 percent said they saw a sales increase in at least one product category; 20 percent said they saw no increase; 2 percent didn't answer. Sixty percent said watering restrictions were imposed in their areas; 40 percent said no restrictions were imposed. Sixty-five percent said the drought had added to monthly costs; 32 percent said it had not. Most respondents who experienced increased costs cited watering and air conditioning. **—LGM**

How the Drought affected marketing strategies

Lawn and garden retailers said they made one or more of these marketing changes as a result of the 1988 Drought:

Marketing change	Percentage of retailers
Delayed restocking	70%
Decreased personnel	45
Advertised less	42
Shortened store hours	26
Advertised more	17
Offered more professional advice	16
Changed guarantee policy	4
Closed for the season	1

Source: *Lawn & Garden Marketing* August 1988 survey. Based on 394 responses from four categories of retailers (multi-department stores, garden centers, hardware/home centers and power equipment dealers).

Kawasaki to begin OPE engine production in U.S.

Kawasaki Motors Corp., Shakopee, Minn., purchased the former Uniroyal manufacturing facility in Maryville, Mo. The company made the purchase in order to carry out its business philosophy that products should be produced near the customers who purchase them.

The company plans to convert the 240,000 sq. ft. plant into a gasoline-engine manufacturing facility by fall of 1989. Annual production at the plant is estimated to be 200,000, with the engines produced there distributed worldwide.

Portable power association forms in Canada

The Canadian Portable Power Equipment Mfrs. Assn. formed after an organizational meeting in early October. The group will have headquarters in Toronto.

Organized to provide services to manufacturers who do business in Canada, the association plans to work closely with the Portable Power Equipment Mfrs. Assn. in the United States to address common industry problems.

CPPEMA plans to establish a monthly statistical program that will cover chainsaws, string trimmers, brushcutters, blowers and generators. Other goals include the establishment of a technical advisory committee that will assist in the development of both domestic and international voluntary product standards and the monitoring of government actions that could impact members and the products they produce.

The association's officers are: chairman, Fred Whyte, Stihl Ltd.; vice chairman, Bill Farrell, Husqvarna; treasurer, Rick Vandekieft, Echo Ltd.; president and secretary, Don Purcell, PPEMA president.

The association's address and phone number was not available at press time.

Wards to adjust service contract claims

In response to charges by the Federal Trade Commission, Montgomery Ward & Co., Chicago, signed an agreement to adjust its service contract claims, according to an article in *Advertising Age* magazine. The FTC says Wards overstated the need for service on several of its appliances, including lawnmowers. Wards' agreement admits no wrongdoing.

OPE repairs down as a result of the Drought

Nearly 70 percent of OPE dealers indicated sales of replacement parts were adversely affected by the 1988 Drought; 87 percent of OPE dealers indicated their servicing business also was affected negatively and just how much:

Repair business down	% responding
Less than 10 percent	1%
10 to 14 percent	5
15 to 24 percent	13
25 to 49 percent	32
50 to 74 percent	20
75 percent or more	11
Down but percentage unavailable	5
Total	87%

Source: *Lawn & Garden Marketing* August 1988 survey. Based on percentage of 225 power equipment dealers indicating repairs down.

Briefs

• **Snapper Power Equipment,** McDonough, Ga., was honored recently when one of its early walk-behind mowers was chosen to be displayed in the Smithsonian Institutions' National Museum of American History. The Snappin' Turtle lawnmower was built around 1950.

• **Inertia Dynamics Corp.** has begun construction on an 82,000 sq. ft. addition to its manufacturing plant in Chandler, Ariz. Upon completion, the facility will increase manufacturing space to more than 150,000 sq. ft. at that location. The new building will allow the company to meet demand for its weed trimmers and blowers, as well as production capabilities for new products. A second phase of construction is planned that would add another 60,000 sq. ft. by the end of 1990. A third phase is planned that will include new offices and up to 150,000 sq. ft. of manufacturing and warehouse space.

• **Dixon Industries,** Coffeyville, Kan., is offering its dealers a new credit plan. The Blue Line credit plan, which is partially subsidized by the company, allows dealers to offer their customers 90 days free financing and special fall promotions.

• The Outdoor Power Equipment Institute has added flexible line trimmers to the list of products surveyed in its Retail Sales Program. Information to be included in the monthly report includes brand name, price paid, where purchased, type of power and more specifics about the actual tool.

• Power Tool Co., Johnson City, Tenn., is a new **Echo Inc.,** Lake Zurich, Ill., distributor.

• Stephen H. Rugg has been named vice president-marketing and planning for **Briggs & Stratton Corp,** Milwaukee. In other news, Ron Miskelley has joined the company as marketing manager for the lawn and garden division.

• Richard Montgomery has been appointed service manager for **RedMax,** Norcross, Ga. He will be responsible for organization and implementation of the company's dealer registration program and the administration of the company's warranty procedures.

Top 100 gardening markets

A new study published by Standard Rate & Data Service, Wilmette, Ill., *The Lifestyle Marketplanner*, gives retailers a better fix on the gardening customer and his allied interests. The study—and information contained in the chart below—is based on data gathered by the research firm National Demographics & Lifestyles, Denver. Gardening is just one of 50 activities measured.

The Lifestyle Census[tm] is a statistical sample of one in three U.S. households. Data is collected over a 12-month period through questionnaires packaged in a variety of consumer products.

Each lifestyle is analyzed in terms of key household demographics and related hobbies and interests. Data is based on a head of household reporting that one or more adults participate in that activity on a regular basis.

Results from the surveys indicated that active gardeners are most likely to be in the 55-64 year age group. The other active-gardening age groups are: 65 years or older and 45-54 years old. Children from 11 to 18 years old are likely to be gardeners; 18-44 year olds are least likely to be active gardeners.

Other results show active gardeners are most likely to own their own homes, be married and belong to one-income households of $40,000-49,999 annually.

Ten lifestyle activities gardeners are most likely to participate in: home furnishing/decorating, home workshop, sewing, wildlife/environmental, crafts, fine art/antiques, collectibles/collections, needlework/knitting, community/civic activities, gourmet cooking/fine foods.

Retailers who understand which consumers are most likely to be gardeners can fine-tune marketing strategies to reach them. Retailers who understand what other interests these gardeners are most likely to be involved in may be able to increase sales with stock of allied lines as well. —LGM

Top 100 gardening markets is one of 50 lifestyle activities analyzed in *The Lifestyle Marketplanner*, which is published and copyrighted by Standard Rate & Data Service Inc. This portion is reprinted with permission of SRDS. For more information, or to purchase the complete study, contact Marilyn Cygan, SRDS, 3004 Glenview Rd., Wilmette, IL 60091, (312) 441-2145.

	Area of dominant influence	% of penetration	Projected population	Rank
1	New York, NY	28.51	1,973,679	98
2	Los Angeles, CA	32.05	1,418,616	96
3	Chicago, IL	33.14	1,026,915	90
4	Philadelphia, PA	35.82	952,085	75
5	Boston, MA	33.68	694,380	89
6	San Francisco, CA	36.42	779,672	64
7	Detroit, MI	36.42	620,474	65
8	Dallas-Ft. Worth, TX	34.25	553,053	86
9	Washington, DC	32.89	524,023	92
10	Houston, TX	34.20	492,623	87
11	Cleveland, OH	38.30	546,896	43
12	Atlanta, GA	35.58	445,437	76
13	Minneapolis-St. Paul, MN	37.02	457,442	56
14	Seattle-Tacoma, WA	40.87	511,039	11
15	Pittsburgh, PA	36.80	468,324	37
16	Miami, FL	23.72	285,003	100
17	St. Louis, MO	36.38	397,311	66
18	Tampa-St. Petersburg, FL	32.42	388,559	94
19	Sacramento-Stockton, CA	40.08	397,934	21
20	Denver, CO	34.66	350,591	83
21	Baltimore, MD	34.51	304,864	84
22	Hartford-New Haven, CT	35.81	313,360	77
23	Phoenix, AZ	29.87	271,003	97
24	Indianapolis, IN	36.48	298,265	67
25	San Diego, CA	32.90	265,464	93
26	Portland, OR	42.88	351,009	2
27	Cincinnati, OH	36.92	265,553	59
28	Kansas City, MO	36.55	263,697	68
29	Orlando-Daytona Beach-Melbourne, FL	35.87	260,720	78
30	Milwaukee, WI	37.86	268,820	47
31	Salt Lake City, UT	40.77	238,951	12
32	Charlotte, NC	39.06	266,612	30
33	Nashville, TN	38.57	261,614	38
34	New Orleans, LA	37.37	238,301	52
35	Columbus, OH	38.11	249,868	44
36	Raleigh-Durham, NC	36.11	225,591	71
37	Buffalo, NY	39.64	244,379	23
38	Grand Rapids-Kalamazoo-Battle Creek, MI	36.22	216,467	72
39	Memphis, TN	36.34	213,405	69
40	Greenville-Spartanburg, SC-Ashville, NC	40.95	252,198	13

continued...

Top 10 gardening markets...continued

	Area of dominant influence	% of penetration	Projected population	Rank
41	San Antonio, TX	35.97	195,180	73
42	Oklahoma City, OK	38.03	231,465	48
43	Norfolk-Portsmouth-Newport-Hampton, VA	35.19	189,942	81
44	Providence, RI-New Bedford, MA	33.34	181,438	91
45	Charleston-Huntington, WV	41.63	218,059	6
46	Louisville, KY	36.66	189,985	60
47	Harrisburg-York-Lancaster-Lebanon, PA	37.41	201,781	53
48	Dayton, OH	38.62	199,190	39
49	Greensboro-Winston-Salem-High Point, NC	39.55	199,777	24
50	Birmingham, AL	36.86	183,564	61
51	Albany-Schenectady-Troy, NY	38.08	184,436	49
52	Wilkes-Barre-Scranton, PA	40.39	197,513	17
53	Albuquerque, NM	38.86	173,536	31
54	Little Rock, AR	39.80	181,532	25
55	Flint-Saginaw-Bay City, MI	39.09	171,061	32
56	Fresno-Visalia, CA	38.93	161,525	33
57	Mobile, AL-Pensacola, FL	36.54	158,081	70
58	Tulsa, OK	38.99	176,112	34
59	Richmond (Charlottesville), VA	37.21	154,448	57
60	Jacksonville, FL	35.73	155,076	79
61	Knoxville, TN	40.88	173,025	14
62	Toledo, OH	38.04	155,852	50
63	Wichita-Hutchinson, KS	39.01	166,579	35
64	Shreveport, LA-Texarkana, AR-TX	41.48	166,664	7
65	West Palm Beach, FL	28.46	122,752	99
66	Green Bay, WI	41.06	151,661	10
67	Roanoke-Lynchburg, VA	38.73	134,995	40
68	Des Moines, IA	40.34	152,534	18
69	Portland-Poland Spring, ME	40.87	149,019	15
70	Rochester, NY	38.03	133,984	51
71	Syracuse, NY	36.70	125,115	62
72	Omaha, NE	37.72	132,995	54
73	Lexington, KY	40.50	133,613	19
74	Austin, TX	35.03	119,105	82
75	Springfield-Decatur-Champaign, IL	36.79	124,542	63
76	Paducah, KY-C. Girardeau, MO-Marion, IL	41.67	139,687	8
77	Cedar Rapids-Waterloo-Dubuque, IA	40.27	131,569	20
78	Palm Springs, CA	38.33	123,006	45
79	Davenport, IA-Rock Island-Moline, IL	38.54	126,497	41
80	Spokane, WA	44.14	141,689	1
81	Chattanooga, TN	39.10	120,086	36
82	Jackson, MS	39.34	114,262	28
83	South Bend-Elkhart, IN	39.70	115,299	26
84	Columbia, SC	37.07	102,190	58
85	Springfield, MO	42.85	126,936	3
86	Johnstown-Altoona, PA	40.75	116,175	16
87	Bristol-Kingsport-Johnson City, TN-VA	42.65	119,088	4
88	Baton Rouge, LA	37.50	95,744	55
89	Youngstown, OH	39.73	110,729	27
90	Tucson, AZ	32.49	93,843	95
91	Huntsville-Decatur-Florence, AL	40.23	111,135	22
92	Evansville, IN	39.17	103,744	29
93	El Paso, TX	33.82	71,153	88
94	Waco-Temple, TX	34.82	84,155	85
95	Lincoln-Hastings-Kearney, NE	41.55	107,583	9
96	McAllen-Brownsville, TX	36.24	66,766	74
97	Greenville-New Bern-Washington, DC	38.19	86,513	46
98	Burlington-Plattsburgh, VT	41.79	96,162	5
99	Augusta, GA	38.76	84,598	42
100	Lansing, MI	35.82	78,678	80

Source: *The Lifestyle Marketplanner*, July 1988, by Standard Rate & Data Service Inc.

Areas of Dominant Influence (the "Top 100 markets") include major cities (as listed) and their surrounding cities (not necessarily listed) as defined by Arbitron. The top 100 gardening markets are ranked by greatest segment penetration, not by the greatest projected population segment. For example, in the New York, N.Y., area, there are nearly 2 million gardeners compared to only 150,000 in the Spokane, Wash., area. However, taking into consideration the total population of the New York area, gardeners only comprise 28.5 percent of that population; in Spokane, gardeners comprise 44.1 percent.

BBQ grill shipments gaining

In 1987, 63 million households used their barbecue grills 1.4 billion times. This boosted total industry sales to $6.2 million.

Typically, barbecue customers spend between $40 and $45 on a shopping trip. When they purchase a new grill, that number may double or triple, says a 1986 Barbecue Industry Assn. survey.

BIA figures say that the 13.1 million grills shipped in 1987 were valued at $586.2 million. This compares to 13.2 million units shipped in 1986 that were valued at $566.4 million. Art Seeds, BIA president, says attendees at the BIA annual meeting in October said the industry was "bullish." "Grill sales were even with or better than last year," Seeds says. Actual figures won't be in until early 1989. However, Seeds says sales of charcoal briquets, which were at an all-time high, can be used as an indicator of grill sales increases.

On the retail level, many respondents to an August *Lawn & Garden Marketing* drought survey said their sales of barbecues had been affected negatively by the dry summer. One in three hardware/home center respondents said sales had been adversely affected. Several factors related to the drought affected sales, including charcoal grilling bans in some cities.

A 1987 BIA survey of 5,000 U.S. households determined that 45 percent of grill purchases were replacements. Of those, 47 percent were charcoal grills, 44 percent were gas grills and 26 percent were electric. With these figures in mind, it helps to know who's buying which types of grills. The accompanying chart outlines buyer demographics for the grill purchaser. (For more information, see, "Interpreting the research," page 30.) —LGM

For more information, contact: BIA, 710 E. Ogden, Ste. 113, Naperville, IL 60540, (312) 369-2404.

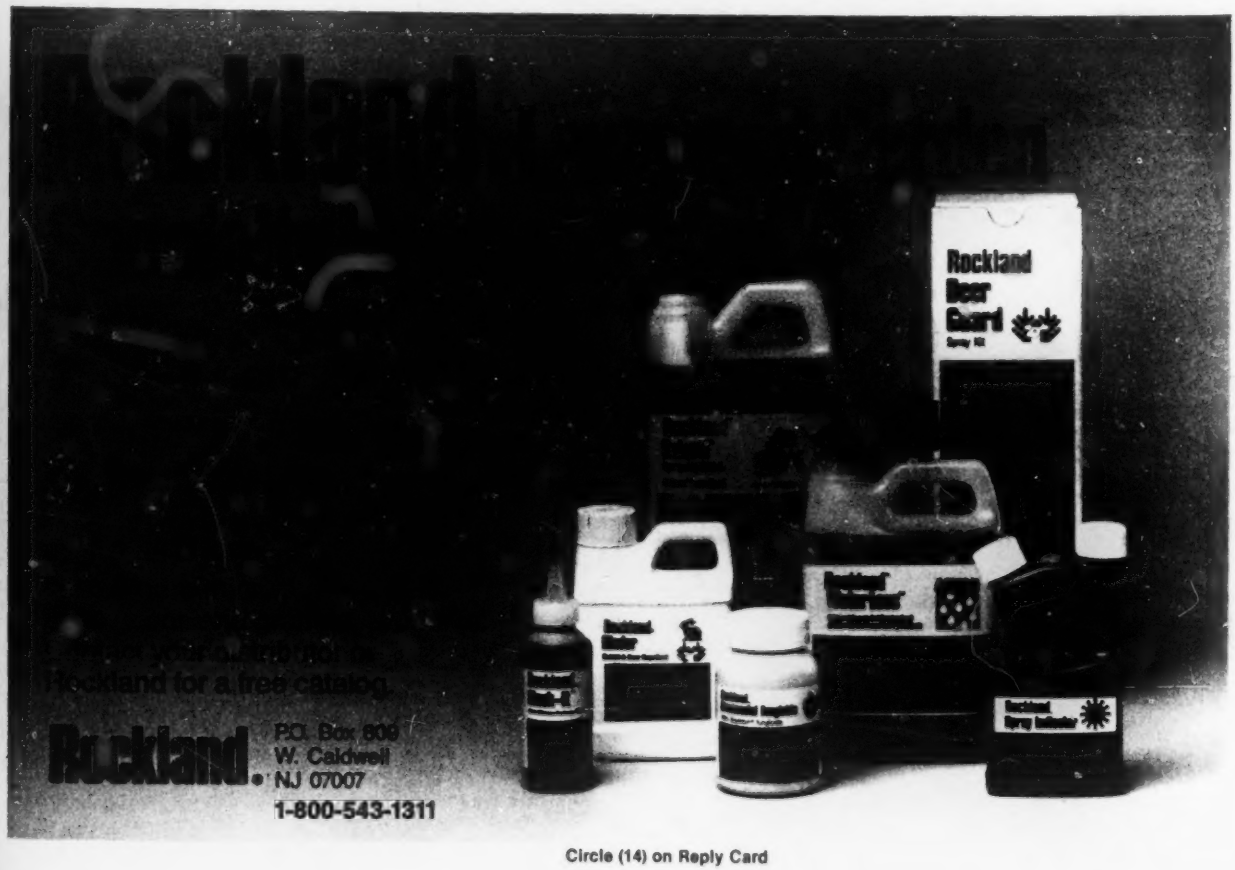
The *1986 Study of Media & Markets* by Simmons Market Research Bureau measures consumer consumption and purchasing data for more than 800 product categories and 4,800 brands. It is based on personal interviews of adults in 19,000 different households. The study is copyrighted and cannot be reproduced or distributed in any way without written permission from the company. For more information on the complete study, contact Warren Dobbs, Simmons Market Research Bureau, 380 Madison Ave., New York, NY 10017.

Consumer profile

Charcoal grills

	% above average
Geography	
Midwest	+32
Type of area	
Metro suburban	+07
Household income	
$60,000 or more	+52
$50,000 or more	+47
$40,000 or more	+39
$30,000-39,999	+30
$20,000-29,999	+11
Age group	
25-34	+10
35-44	+23
45-54	+20
Profession	
Professional	+25
Manager/administrator	+40
Tech/clerical/sales	+14
Precision/craft	+20

Source: SMRB 1987
Base group: U.S. households



Circle (14) on Reply Card

Who's buying fertilizer

The pesticide and fertilizer market had a booming year in 1987; sales reached $2 billion. While industry experts agree that sales were not affected negatively by the drought this year, exact figures won't be available until mid 1989 from Kline & Co. Kline is a market research firm that publishes an industry report each year.

Lee Reichart, vice president of Stern's Miracle-Gro Products, Port Washington, N.Y., says sales were very good at his company. "Sometimes bad weather helps our product. Even if water use was restricted or time allowed to water was limited, people would throw in a little Miracle-Gro," he says. "People still wanted to keep their small gardens looking nice."

While Reichart says sales at his company were up substantially—20-30 percent—he admits they would have been better without the drought.

Gene Wright, general manager at Greenview, Lebanon, Pa., agrees. "We were running at about a 40 percent increase earlier in the summer. But then the drought hit." He says sales slowed down in late April and "summer was a wipe out." Despite the drought, the company will see an increase of about 25 percent, he says. On a positive note, he adds that this fall was the best the company has seen.

When a harsh season, such as the drought this summer, causes sales to become unstable, using demographics to determine which customers are more likely to buy one type of fertilizer over another can help retailers remain competitive in the marketplace.

For example, the *1988 Study of Media & Markets* by Simmons Market Research Bureau measures consumer consumption and purchasing data for more than 800 product categories and 4,800 brands. It is based on personal interviews of adults in 19,000 different households.

The research includes general demographic information as well as more detailed data broken out by dollar amount spent. The demographics do not characterize the typical buyer. Instead, they characterize the group of consumers that is more likely than average to spend the indicated amount.

Some highlights of the SMRB study include statistics such as: males are nine percent more likely than the average adult to spend $10 or more on vegetable fertilizer. (Other characteristics of the adults in this category: he or she is a member of the 55-64 or 65 or older age brackets, a non-high school graduate, a Northeasterner or Southerner or a wage earner of $60,000 or more a year.)

Adults who are more likely than average to spend $20 or more on lawn fertilizer, according to SMRB data, include males, members in the 35-44, 45-54 or 55-64 age groups, college graduates, professionals or managers, Northeasterners or wage earners of $30,000 or more a year. —LGM

Interpreting the research

The *1988 Study of Media and Markets* uses an index to measure the likelihood of one demographic group over another to be owners or purchasers of a particular product. It compares the percentage that a particular demographic group represents—of the 19,000 households surveyed—with the percentage that the same demographic group represents of the total 1987 U.S. household population.

Groups that rate at the 100 index show average ownership or purchasing tendencies. Those groups that rank above 100 show that they are more likely than the average to own or purchase the product. This is indicated in the consumer profile charts with a plus (+) sign. Those demographic groups that fall below the 100 index are less likely than the norm to own or purchase the product in question and are not discussed.

Consumer profile

House plant food/fertilizer

	% above average
Geography	
South	+14
Type of area	
Metro central city	+07
Household income	
$10,000-$19,999	+07
Under $10,000	+14
Age group	
65 or older	+10
Level of education	
Did not graduate high school	+10

Lawn fertilizer

	% above average
Geography	
South	+09

Vegetable garden fertilizer

	% above average
Geography	
South	+17
Type of area	
Metro central city	+07
Household income	
$10,000-$19,999	+11
Under $10,000	+21
Age group	
18-24	+07
65 or older	+14
Level of education	
Did not graduate high school	+19

Source: SMRB 1987
Base groups: Adults who have bought in the last 12 months.

The SMRB *1988 Study of Media and Markets* is copyrighted and cannot be reproduced or distributed in any way without written permission from the company. For more information on the complete study, contact Warren Dobbs, Simmons Market Research Bureau, 380 Madison Ave., New York, NY 10017.

Portable power meets expectations

Though shipment projections were made before the summer drought, leading manufacturers interviewed by *Lawn & Garden Marketing* say that most of the 1988 projections for gasoline-powered line trimmers, blowers/vacs and chainsaws are still on target.

The Portable Power Equipment Manufacturers Assn., which made its projections for 1988 early in the year, estimated that gas trimmer shipments would reach 3,050,280 in 1988—an increase of 11 percent over 1987 figures, which are the latest available.

Rich Maguire, product manager for power tools at Stihl Inc., Virginia Beach, Va., says the PPEMA projection is probably a realistic figure, even taking into affect the drought, because most trimmer shipments went out early in the year. He based this belief, he says, on how his company has been doing in 1988 and what he has seen in the field.

"The places receiving rain in September—that didn't receive any rain before then—have had good [trimmer] sales. Not as good as in other years, but better than a normal September....Where the drought didn't have an affect, they have had a good year," Maguire says.

Carl Mikovich, president of Poulan/Weed Eater, Shreveport, La., points out that the full effects of the drought are yet to be seen. "Manufacturers could show an up year on shipments of trimmers," he says. But the movement of trimmers from the retailer to the consumer is not necessarily going to reflect these numbers. "Retail movement could be basically flat for the past year on trimmers....It's one thing to say what the shipments from the factory were; it's another thing to say what was sold through retail," Mikovich explains.

Retailers answering a *Lawn & Garden Marketing* survey agree. Fifty-nine percent of the respondents who carry line trimmers said the drought negatively affected trimmer sales in 1988.

Blowers to increase

PPEMA estimated that blower shipments would be up by 8 percent in 1988 vs. 1987 to 428,760 units.

Mikovich says blower shipments should not be affected by the drought. In fact, he estimates blower shipments will go above the 8 percent figure—to more like 15 percent, he says. If Mikovich is right, blower shipments could reach 456,550 units when the 1988 figures become available in early 1989.

Jim Witt, forecast analyst at McCulloch Corp, Tucson, Az., says he saw a positive effect of the drought on blower sales because leaves were falling off trees earlier in the season. He says PPEMA estimates on blower shipments easily will be met in 1988.

Chainsaws flat again

Keeping in step with similar projections made over the last few years, PPEMA estimated gas-powered chainsaw shipments to increase by only 2 percent in 1988 to 1,377,000 shipments.

Mikovich says, "Chainsaws were not affected by the drought."

Jack Guthrie at Stihl agrees. "Overall, our 1988 chainsaw shipments are way ahead of '87."

At McCulloch, Witt says he saw no effects of the drought on chainsaw sales either. He says chainsaw sales probably will meet PPEMA's projections and possibly increase as much as 4 percent. If 4 percent is reached, chainsaw shipments will number 1,404,000.

Consumer profiles

Retailers eager to share in 1989 increases might do well to understand more about the consumer who buys these products. At right, statistics show just which types of households are more likely than the average to own specific portable power equipment. Based on a study by Simmons Market Research Bureau, the *1988 Study of the Media and Markets* measures consumer consumption and purchasing data for more than 800 product categories and 4,800 brands. It is based on personal interviews of adults in 19,000 different households. (For more information, see, "Interpreting the research," page 30.) —LGM

For more information, contact: PPEMA, 4720 Montgomery Lane, Ste. 514, Bethesda, MD 20814, (301)652-0774.

The SMRB study is copyrighted and cannot be reproduced or distributed in any way without written permission from the company. For more information on the complete study, contact Warren Dobbs, Simmons Market Research Bureau, 380 Madison Ave., New York, NY 10017.

Consumer profile

Gas trimmers

	% above average
Geography	
South	+31
Type of area	
Metro suburban	+14
Non-metro	+27
Household income	
$60,000 or more	+64
$50,000 or more	+59
$40,000 or more	+64
$30,000-39,999	+40
Age group	
35-44	+22
45-54	+38
55-64	+15
Profession	
Manager/administrator	+53
Precision/craft	+47
Level of education	
Attended college	+28

Gas chainsaws

	% above average
Geography	
Midwest	+35
Type of area	
Metro suburban	+14
Non-metro	+48
Household income	
$60,000 or more	+49
$50,000 or more	+50
$40,000 or more	+43
$30,000-39,999	+32
$20,000-29,999	+17
Age group	
35-44	+21
45-54	+23
55-64	+31
Profession	
Manager/administrator	+32
Precision/craft	+48
Other employed	+16
Level of education	
Graduated college	+07
Graduated high school	+11

Source: SMRB 1987
Base group: U.S. households

Patio shipments top $900 MM

Shipments of U.S.-manufactured casual furniture in 1988 should grow by 6 percent in dollar value over 1987, to $900.2 million, says Martin Reddan, director market research for the Summer & Casual Furniture Mfrs. Assn.

In 1987, SCFMA estimates shipments as having grown by 6.8 percent, reaching $849.2 million. When import shipments are included, the industry topped $1 billion for the first time in 1987—the latest year figures are available.

Tubular aluminum ranks as the largest category, growing from $364.5 million in 1986 to $373.8 million in 1987.

While shipments grew more than 10 percent in 1986, Reddan says one reason for the smaller growth percentage in 1987 was the U.S. economic situation. The prime furniture-buying age group—in most cases the first-time home buyer—didn't have the discretionary income to purchase the product in 1987, he says.

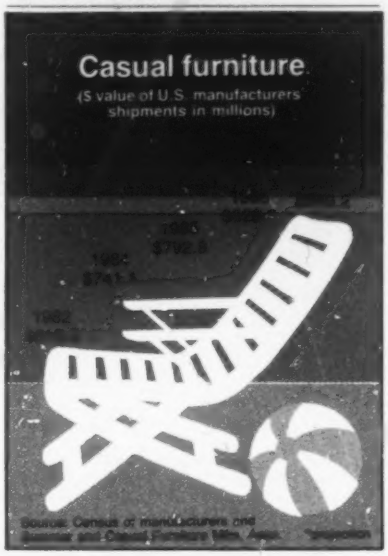
Although 1988 actual figures are not yet available, Richard Losciale, director of sales and marketing for Allibert Inc.'s Holiday line, estimates total sales for the industry at greater than $2 billion. Allibert is located in Stanley, N.C.

Reddan says the hot weather had an effect on sales this year. "The retailers said their sales were good early on in the summer," he says. "But July, which is normally a slow sales month but a big use month, was completely dead."

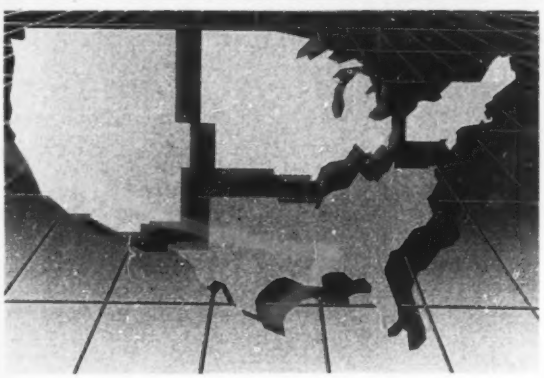
Yet Losciale points out a positive outlook in the market. "Sales [by lawn and garden retailers] have doubled in the last five years, and we expect them to double again by 1990," he says. One of the trends Losciale sees is more customers looking to buy step-up products. "With the growing sophistication of the molded resin design and of customers interested in purchasing casual furniture, the industry is going to be seeing more need to have step-up pieces and collections so lawn and garden dealers can offer something different than the discount store down the block."

Looking toward 1989, Reddan says there is confidence in the industry that the positive economic climate will continue and the weather will improve to make another strong year for the casual furniture market. —LGM

For more information, contact: SCFMA, P.O. Box HP7, High Point, NC 27261, (919) 884-5000.



Product Movement Report



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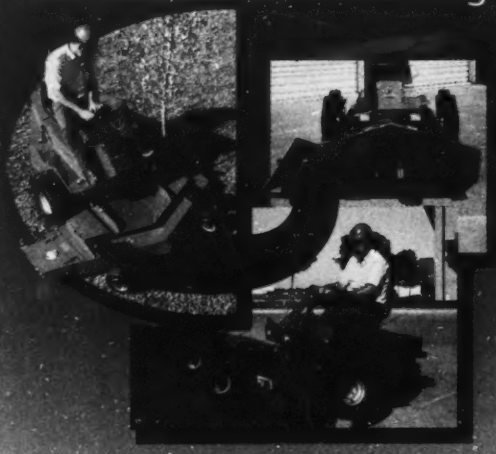

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Greengoods affected by drought

Bedding plant growers had a good season in 1988, but the negative effects of the drought on woody ornamentals will be felt for the next three to five years. Yet industry sources expect both sides of the greengoods industry to meet projected increases for 1988.

According to the Crop Reporting Board of the U.S. Department of Agriculture, the number of flowering and foliar type of bedding plants to be sold in 1988 over 1987 was projected to increase 8 percent; 59,667,000 flats were projected to be sold in 1988. Industry experts believe that figure was met.

Alvi Voigt, agricultural economist at Pennsylvania State University, University Park, Pa., and coordinator of the annual survey for The Professional Plant Growers Assn. (formerly BPI...A Growers' Organization), says, "In spite of the drought, the season was a relatively good one for [bedding plant] growers. They were able to move materials at reasonably decent prices....I think for [bedding plant] growers the season was finished [by the time the drought hit]. For retailers who wanted to extend the season, they might have had problems."

Projections on the number of hanging foliage expected to be sold in 1988 were at 22,167,000, according to the Floriculture Crops report. Other projections were for 4,286,000 flats of bedding geraniums to be sold in 1988—up 2 percent—and 10,407,000 flats of vegetable-type bedding plants to be sold in 1988—up 4 percent over 1987. These are the latest available figures.

In final figures for 1987, potted flowering plants, valued at $460 million, increased 18 percent over 1986, according to the Floriculture Crops report. Foliage plants decreased 2 percent in value over 1986 to $513 million. Bedding plants, valued at $682 million, had the largest increase in value, at 22 percent over 1986. All figures represent dollar value at wholesale.

Though most industry sources interviewed by *Lawn & Garden Marketing* about the woody ornamentals side of the greengoods industry expected projections made for 1988 to be met—despite the drought—they noted that the drought did have devastating effects, most of which probably won't be felt until the next three to five years.

The most recent figures available estimate that the total value of plant materials produced and distributed by the Wholesale Nursery Growers Assn. for 1988 was at $2.3 billion at wholesale and $6.9 billion at retail—an 8 percent increase over 1987. Figures for the previous two years were $2.1 billion at wholesale and $6.4 billion at retail for 1987, and $1.9 billion at wholesale and $5.8 billion at retail for 1986.

Duane Jelinek, director of horticulture research for the American Assn. of Nurserymen, says, "The drought played a factor in many areas. At the national level, the industry continues to do really well. I think what's going to happen is that the drought will have adversely affected the younger stock. Those who didn't have adequate irrigation will have the worst problems." Earl Wells, executive vice president of the Florida Nurserymen and Growers Assn., says that initial indications point to a 30 percent loss of nursery plant materials over a wide spectrum of Midwestern states. Wells says that early reports show Illinois, Indiana and Michigan were hit hard, and other Midwestern states experienced damage to plant materials. "Illinois, in particular, had a major problem with lining stock," he adds. Lining stock are cuttings that are planted to be sold in three to four years. Many of these did not survive.

"Not only does that put a crimp in stock now," he says, "But it puts a crimp in stock down the road." Wells hopes that as a spinoff, plant growers of woody ornamentals in Florida—where the drought had little, if any, effect—will be able to make up some of the difference.

William Scarff, president of AAN, brought up another problem. "The drought is a paradox," he says. Demand was excellent in early autumn, after rains finally arrived, "but the paradox is that that same factor [increased demand] is causing decreased inventories. So there's a supply problem. There also will be a supply problem in the next few years, because small plants couldn't make it. So it will affect the industry in the next three to five years, especially in the Midwest."

As far as next year, Scarff says he thinks that a momentum will be built up as a result of the buying this fall. "The drought made people more plant conscious than ever before. They were more aware that there were little growing things outside that needed extra help. So if there is one good aspect to the drought, it made people more aware of their plants."

According to a survey by the Garden Center Institute, retailers themselves feel optimistic about the future; 90 percent of those surveyed anticipate sales increases of 12 percent in 1989. (See "1988 Retail Sales".) More information from the survey will be published in January 1989 *LGM's* Retail Marketplace. **—LGM**

1988 Retail Sales

In mid-October, the Garden Center Institute surveyed retailers on their year-to-date total retail sales.

	Nationally	South	Northeast	Midwest	West
% reporting sales increases	78	75	80	80	69
Average of all sales increases	14.6	14	16.8	13.5	14

Source: The Garden Center Institute. Data gathered from a survey of 64 garden centers, part of a select base of 250 retail outlets doing an estimated $350 million annually in sales.

For further details, contact: Agricultural Statistics Board Publications, Rm. 5829-South Bldg., USDA, Washington, DC 20250, (202) 447-4021; WNGA/AAN, 1250 I St. NW, Ste. 500, Washington, DC 20005, (202) 789-2900; PPGA, P.O. Box 27517, Lansing, MI 48909, (517) 694-7700; WNGA, 5401 Kirkman Rd., Ste. 650, Orlando, FL 33687, (407) 345-8137; and GCI, P.O. Box 1264, Roswell, GA 30077, (404) 587-2113.

Retail Marketplace

Briefs

• **J.T. Eaton & Co. Inc.,** Twinsburg, Ohio, accepted a settlement against Pest Control Industries Inc. and Hampton Chemical Inc. in a patent infringement law suit. Pest Control Industries and Hampton Chemical admitted that they infringed on Eaton's patent. Eaton also has granted an exclusive license to Best Stick Products Co., Yonkers, N.Y., to manufacture a new style of replacement glue trap.

• **A.H. Hoffman Inc.,** Landisville, Pa., is expanding the distribution of its plant foods, soil and soil conditioners nationwide. Hoffman has maintained a strong presence in the Northeast, Mid-Atlantic, Southeast and Central regions of the United States and now will move into the West and Southwest. The company has hired six additional representatives and will set up warehousing and distribution facilities in California to serve the new markets.

• The Eastern Regional Nurserymen's Assn. pledged its support to the Garden Council when it presented a $15,000 check to the organization. The ERNA plans to donate $10,000 more in support of the Garden Council's national marketing program.

• Garden Aid Division of G/S Supply Co., Dayton, Ohio, is a new member of Garden Group Inc. GGI is a lawn and garden distributor group consisting of 10 members who work together to provide better services to the dealers in their areas. Spring and fall circular programs, as well as other advertising programs, are offered.

• **Safer Inc.,** Wellesley, Mass., has allocated $3.7 million for a comprehensive communications plan slated for spring 1989. The television ad campaign will air on the West Coast and Mid-Atlantic regions and is designed to build awareness of the Safer name.

• Channing Jones, national marketing manager at **Chevron Chemical Co.'s Ortho Consumer Products Division** for 30 years, received the 1988 National Lawn and Garden Distributors Assn. Award of Excellence at its recent convention. Jones developed a sales philosophy that continues to be used at the company and is a devoted supporter of the two-step system. Ortho is located in San Francisco.

Duraco Products opens warehouse in Canada

Duraco Products Inc., Streamwood, Ill., has begun operations at a new Canadian warehouse facility located in Missassauga, Ontario. The new facility brings the company's space in Canada to nearly 25,000 sq. ft. The facility will house Duraco's Garden Scene® line for distribution in Canada and replaces a public warehouse the company used previously.

The additional warehouse space will allow Duraco the opportunity to add additional product lines to its Canadian inventory. It currently markets eight Garden Scene lines in that country. Along with planters, the company produces interior landscape containers at the new location, along with window boxes, watering cans and transparent vinyl and color-coordinated saucers.

SERVISTAR offers L&G buying program

SERVISTAR® Inc., Butler, Pa., has targeted the lawn and garden market as a major growth expansion opportunity.

SERVISTAR has outlined a two-year test that offers a buying program through licensing agreements between retailers and the wholesaler—American Hardware Supply Co. SERVISTAR offers buying power, retail services, circular advertising, promotional assistance and image-building advertising.

The two-year test is targeted for the Northeast, but executives at the company believe the concept will expand quickly into other sections of the country. Existing independent garden centers with sales greater than $750,000 are being tapped for interest. SERVISTAR also has a 25,000 sq. ft. store prototype specifically designed for garden and nursery center retailing. Hardware and home center retailers will be given the opportunity to get involved in the program as well.

Scotts wins creativity award for packaging

O.M. Scott & Sons Co. won the Creativity '88 award from the Art Directors Assn. and *Art Direction* magazine for the packaging of its Builder™ line of garden fertilizers. O.M. Scott & Sons is based in Marysville, Ohio.

The annual international competition attracted more than 12,000 entries from the United States, Europe and the Far East.

Scotts won the packaging division in the printed materials category. Entries were judged on the basis of effective communication, originality and esthetic accomplishment.

L&G sales affected by the 1988 Drought

Most retailers indicated sales of fertilizers were negatively affected and sales of watering equipment positively affected by the drought this year:

	% indicating decreases	% indicating increases	% indicating no effect
1. Fertilizers	70%	16%	14%
2. Spreaders	57	10	33
3. Packaged seeds	53	8	61
4. Short-handled tools	46	8	46
5. Long-handled tools	46	8	46
6. Pesticides	40	39	21
7. Hand-held sprayers	29	33	38
8. Watering equipment	8	73	19

Source: *Lawn & Garden Marketing* August 1988 survey. Based on 169 lawn and garden retailers representing hardware/home centers, multi-department stores and garden centers.